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CENTRAL INTELLIGENCE AGENCY

WORKING PAPER

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INTELLIGENCE SUMMARY

For Week Ending 8 June 1949

GREECE

Appeasement fears: Greek leaders are increasingly fearful that current Soviet and guerrilla peace propaganda will succeed in stimulating strong outside pressures for appeasement or that (despite US statements barring discussion of the Greek question without Greek participation) big-power talks might be forced by Soviet maneuvers in the CFM. While Greek press and public opinion is in general wholeheartedly opposed to any compromise based on the Communist peace proposals, the possibility of appeasement has already had an effect within Greece. Commander in Chief Papagos is reportedly encountering growing pressure against the vigor with which he has prosecuted the anti-guerrilla campaign, because of the high casualties which are inevitably involved. Meanwhile. a number of opportunist politicians and fellow-travellers are gravitating toward the Paris CFM meetings to promote appeasement proposals and to offer themselves for posts in an interim "reconciliation" government; among them are two former Liberal cabinet ministers who are generally considered men of integrity but who might prove useful to the fellow-travelling element -- the pronounced Russophile Sofianopoulos and General Plastiras, who has authoritarian tendencies. While appeasement pressures from fellow-travellers and opportunists within Greece have not reached sizable proportions--neither Sofianopoulos nor Plastiras has much of a following--such tendencies might be expected to mount rapidly at the slightest sign that the US was considering either a relaxation of its support for Greece or a big-power deal.

Operation Rocket: The record of the first month of Operation Rocket, the Greek Army's current anti-guerrilla clearing campaign in central Greece, indicates that vigorous guerrilla evasive tactics may effectively delay successful execution of the plan. On one side of the ledger, the Greek Army has thus far inflicted 1,600 guerrilla casualties. On the other side of the ledger, however, the guerrillas have apparently succeeded in diverting the government forces from their original plan by causing the action to shift constantly and to spread, from the limited area originally designated for Rocket, as far north as Mount Olympus and as far east as the coastal mountains, Ossa and Pelion. Moreover, by one method or



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another, the guerrillas have been able to maintain their total active strength over central Greece as a whole at almost 3,500—a net drop of only about 500 for the month—and despite constant movement have retained their general distribution of forces in the area. Greek Commander in Chief Papagos has indicated his concern over the situation by an order of 18 May directing the redeployment of troops so that the original plan, for either annihilating the guerrillas or driving them northward out of the Rocket area, might be carried out.

TURKEY

Turks veto search for Noah's Ark: The proposed search for what may remain of Noah's Ark on Mount Ararat will not now take place. The Turkish Government has vetoed the expedition planned by US archeologists, doubtless for the same reason it has not permitted US Air Attaches in Turkey to fly airplanes about the country as they please. Since the granting of such rights to nationals of a friendly power would make it very difficult to refuse them to another, less friendly one, it is easier to refuse them all and, in this particular instance, thus avert the possibility of Soviet "explorers" investigating the Mount Ararat region and learning what is—and, much more important—what is not there.

RAN

Gendarmerie merger: The Iranian Army's sudden assumption of control over the gendarmerie last week, in accordance with a merger plan advanced by the Shah and Chief of Staff Razmara, represents an important step in the consolidation of the former's position as the most powerful politicial figure in Iran. Under the merger plan, all of Iran's security forces will now be under military control, although 4,000 men out of the gendarmerie's total strength of about 25,000 will be nominally left under the Ministry of Interior for the execution of civil functions. The immediate effect will be to enhance the ability of army leaders to influence the coming elections to the Majlis, although it is probable that the Shah and Razmara, who have advocated such a move for many years, were primarily motivated by long-run considerations.

One significant aspect of the move is that it was made despite developing opposition to the plan in the Majlis, which must formally authorize the merger (after a six months trial period) before it can become permanent, and against US counsel. Opposition may develop

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against consolidation of the merger, particularly in view of the suspicion of many Iranians that Razmara might be manipulating the merger for his own ends. Although Prime Minister Saed, the Minister of War, General Ahmadi, and several other top political leaders, who have been cooperating closely with the Shah for the past four months, are reportedly opposed to this grab for power, it is unlikely that they will suddenly risk royal disfavor on the merger issue. Moreover, although the Shah might accede to a modification of the present merger plan, his willingness to incur both US and local disfavor indicates that there is little likelihood that he will accept any major change in it.

INDIA-PAKISTAN

Problems in Pakistan: Considerable political opposition to Prime Minister Liaquat Ali Khan, even at the cabinet level, has recently sprung up in Pakistan. Criticism of the government, which made notable headway during Liaquat Ali's absence at the Commonwealth Prime Ministers' Conference during April, is in part attributable to religious groups who object to Pakistan's retention of its Commonwealth ties as representing the continued subjection of Moslems to a Christian king. Other significant dissident groups have also emerged, however, as is illustrated by a recent outburst of criticism against Sir Francis Mudie, the British governor of West Punjab, on the ground that he had failed to act vigorously enough against the Indian-owned Civil and Military Gazette of Lahore for aprovocative article on Kashmir. In these attacks, the strongly anti-Indian and anti-British elements were assisted by a number of the political fortune-hunters disgruntled over the honest government measures taken by Sir Francis and by the sudden emergence of the supposedly impotent Communist forces, which not only helped force the suppression of the Civil and Military Gazette, which is strongly pro-Western, but also brought about the banning of the anti-Soviet US motion picture, "Iron Curtain." Prospective economic difficulties in East Pakistan, where heavy rains during April and May destroyed a sizable portion of the rice and jute crops for the second successive year, portend additional political opposition to the government; West Pakistan will again have to stand the burden of supplying and shipping food to the east, and there is a possibility that either the rice surplus or transportation needs may prove insufficient for the emergency. For the time being, the present government appears likely to hold its own, mainly because no adequate successor to Liaquat Ali is immediately available. In time, however, the growth of dissident groups may lead to a new, and far less responsible government.

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NOTED IN BRIEF

Intensified Greek Cypriot pressure for union (enosis) with Greece is foreshadowed by a 5 June statement of the Cyprus Ethnarchy inviting Greek Cypriots to boycott all governmental receptions and ceremonies and to have as little contact with authorities as possible. The Ethnarchy, an organization of local Greek Nationalist and Church elements, was formed shortly before the May municipal elections as an anti-Communist and pro-enosis action group; having demonstrated some of the benefits of unity by obtaining slight Nationalist gains in the elections, the group now seems determined to pursue a more active anti-British policy.

Turks won't play any international football matches for a while, until the government decides that reactions to the recent unpleasantness in Athens have simmered down. Actually, no very serious damage was done and those Turks and Greeks who are less excitable than their younger fellow-countrymen will not allow such incidents to interfere with their good relations, however much they may dislike each other. Turkey and Greece have far too many common interests to cherish and common enemies to withstand.

The National Assembly acted quickly in passing the Armed Forces reorganization bill. If as much alacrity is displayed in its implementation, a very substantial tightening-up of the armed forces organization may be expected soon.

Despite Premier Gunaltay's amicable gesture to the opposition, indicating that he might try to meet them more than halfway in reforming electoral procedure, the opposition leaders have conspicuously abstained from grasping the extended, ostensibly friendly hand. It might, of course, go hard for the opposition at the next elections if the party now in power forehandedly (and in advance of election day) enacted legislation removing all justification for some of the conditions about which the opposition most loudly complains.

The Cyrenaican declaration of independence has aroused bitterness and resentment among Arab leaders in Tripolitania and Egypt. Tripolitanian leaders, who have always wanted a united independent Libya, fear that such action on the part of the Cyrenaicans will preclude the achievement of this aim at least temporarily, although the Tripolitanians will probably now work toward an independence declaration of their own with a hope fore eventual unity of all Libya. The Egyptians have accused the British of creating a protectorate on Egypt's western frontier in the form of "another kingdom of Jordan," and of partitioning a country whose three territories are integral.

The dispute over the Syrian soliders held in Lebanon on a murder charge has been settled by arbitration. A commission of Saudi Arabian and Egyptian advisers ruled on 2 June that the Syrian soldiers should be released and, by advance agreement, both countries accepted its terms and Lebanon immediately released the soldiers to Syria for trial. Not even the 31 May incursion into Lebanese territory by Syrian military units (which quickly withdrew) upset Lebanese determination for an end of conflict, and Zaim's explanation that it was all a mistake was readily accepted. Having come off well in this encounter, Zaim can be expected to take a firmer control of current economic negotiations between the two countries, which may set the political thermometer to climbing once more.

Iran has again raised the question of US economic assistance, this time through formal presentation in Washington of a request for \$500 million immediately, to be used in restoring the Iranian economy to the 1941 level. (A similar stress on the post-war rehabilitation theme was present in Prime Minister Saed's previous request and in a recent statement of the Shah asserting—without justification—that such economic assistance had been promised Iran under the 1943 Tehran Declaration.) There is much overlapping between the activities for which Iran wants direct US aid and those of Iran's own Seven Year Plan for economic development. Since Iran did not anticipate the necessity of foreign assistance for the first year or two of the plan, apparently it is pressing for the US aid because: (1) it would like to shift some funds from the Seven Year Plan to military expenditures; and (2) it would like tangible evidence of US support, similar to that being given to Greece and Turkey. Iran's

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relatively good financial position places it in a different category from Greece and Turkey, but it is likely that aid will be available through the International Bank and the Export-Import Bank. As a means of demonstrating US interest in expediting economic developments in Iran the US is considering the feasibility of several pilot projects which could be undertaken as soon as funds are available under the Point Four Program.

The denouement in Soviet Iranian consular relations has apparently been reached. The Soviets have now confirmed their decision to close down all their consulates in Iran and have asked the Iranian Government to close its consulate in Baku, the only Iranian post outside the Embassy in the Soviet Union. Some Soviet consulates have already been reported in the process of closing and the Tabriz Consul General was scheduled to depart for the USSR late in May. Since the consulate personnel are well acquainted with the conduct of Soviet subversive activities in Iran, there may be a delay in closing the consulates in Iran until the direction of these activities has been shifted to other hands or the old personnel transferred to one of the numerous Soviet commerical or cultural agencies in Iran.

A military court has sentenced eight key Tudeh Party leaders to death, after a trial in absentia. This step, combined with the previous arrest and conviction of 14 other prominent party members, constitutes a severe blow to any Tudeh hopes of making a comeback in the relatively near future. Although underground Tudeh activity will undoubtedly continue, the eight men are unlikely to risk resumption of their party work in Iran until circumstances change, and it will probably take a considerable time for the party to reconstruct its top leadership.